

HOUSE BILL REPORT

HB 1310

As Reported By House Committee On:
Commerce & Labor

Title: An act relating to the state lottery.

Brief Description: Regulating advertising for the state lottery.

Sponsors: Representatives Pruitt, Ludwig, Brough, Padden, Long, Johanson, Foreman, Talcott, Cooke, Wood, Casada, Leonard, Morton and Fuhrman.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 10, 1993, DP.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 5 members:
Representatives Heavey, Chair; G. Cole, Vice Chair; Lisk,
Ranking Minority Member; Conway; and Veloria.

Minority Report: Do not pass. Signed by 4 members:
Representatives Chandler, Assistant Ranking Minority Member;
Horn; King; and Springer.

Staff: Edie Adams (786-7349) or Jim Kelley (786-7166).

Background: Regulation of Washington State Lottery advertising rests with the Lottery Commission. The only statutory restriction on lottery advertising is indirectly applied through the restriction on the percentage of lottery revenues that may be expended on administrative and operational costs, which includes advertising. The lottery commission has adopted rules concerning the lottery advertising budget, advertising by lottery retailers, and disclosures required in lottery advertising. Promotional lottery advertising is not prohibited or restricted.

There are currently 34 states with state-run lotteries. Two of these states prohibit state-funded promotional advertising of the state lottery.

Summary of Bill: The Lottery Commission or any other state agency is prohibited from spending public funds or lottery revenues for promotional advertising of the state lottery.

Advertising of a lottery game must include the odds of winning the grand prize and overall odds of winning a prize in the game. Lottery advertising may contain any informational facts concerning the lottery, including: lottery games offered and ticket prices; number and amount of prizes; proportion of lottery revenues disbursed as prizes and how remaining revenues are used; manner of selecting winning tickets and disbursing prizes; winning numbers and amounts won; frequency of drawings; and locations where tickets may be purchased.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Current lottery advertising is inducing children to participate in the lottery and undermining the value of hard work that parents try to teach to their children. It is contrary to public policy for the state to represent that a person can make it by chance, when society tries to teach its children that hard work is the means of achieving success.

Testimony Against: The Lottery Commission is currently concerned with presenting factual advertising that does not denigrate the work ethic and that preserves the dignity of the state. The duty of the Lottery Commission is to maximize net revenues. Advertising does have an impact on lottery sales. Lottery advertising is critical in competing with other products that offer fun and entertainment to the public. It is difficult to separate informational advertising from promotional advertising.

Witnesses: Representative Wes Pruitt, Prime Sponsor (in favor); Evelyn Yenson, Director, Washington State Lottery Commission (opposed).